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SUBJECT: PRT DIYALA: CENTER OF GRAVITY FOR IRAQ'S PROBLEMS

REF: A. 09BAGHDAD 2937
[1](#)B. 09BAGHDAD 3065
[1](#)C. 09BAGHDAD 2844
[1](#)D. 09BAGHDAD 3120
[1](#)E. 09BAGHDAD 3178
[1](#)F. 09BAGHDAD 3335
[1](#)G. 09BAGHDAD 2367
[1](#)H. 09BAGHDAD 2547

Classified By: OPA Director Greta Holtz for reasons: 1.4 (b) and (d)

[1](#)1. (U) This is a PRT Diyala message.

[1](#)2. (C) SUMMARY AND COMMENT With its long border with Iran, Diyala remains a strategically vital focal point for some of Iraq's most pressing problems, yet its Provincial Government remains ill-equipped to confront the challenges facing it. Although Diyala is no longer the haven for Al Qaida and other insurgents that it once was, continuing USG assistance is vital to stabilize Diyala and to prevent ongoing tensions there from spreading to the adjacent disputed internal boundary (DIBs) areas. END SUMMARY AND COMMENT.

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VULNERABILITY TO IRAN
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[1](#)3. (C) Strategically located between Iran and Baghdad, Diyala remains vulnerable to Iranian economic and cultural influence, as well as Tehran's apparent support for insurgent groups and attempts to manipulate local officials. Diyala is a major transit point, with more than 50 percent of the fruits and vegetables in Diyala imported from Iran, along with many other goods on their way to Baghdad. Diyala is also a major gateway for Iranians traveling on religious pilgrimages to places like Karbala and Najaf. In meetings with PRToffs, provincial officials, including the Governor, Dr. Abd-al-Nasr Muntzir al-Mahdawi (Sunni-Tawafuq) and the Provincial Council (PC) Chairman Abd-al-Talib Muhammad Hasan (Kurd) openly note the importance of cooperating with Iran to improve Diyala's economic future. Facing the current drought conditions, the Governor made a trip to Iran in September 2009 to ask for the release of water into the Wand River in Khanaqin. As part of the negotiations for the subsequent release of the water, Mahdawi signed a cooperation agreement with the neighboring Iranian province of Kermanshah on areas including security, trade, water, customs duties, and cultural exchanges. (Note: This is notable for the numerous subjects covered by the agreement that are clearly within the central government's sphere of authority. End note).

[1](#)4. (S/NF) Governor Mahdawi and other provincial leaders tell us that Iranian agents and special groups are supporting various insurgent and political groups in Diyala, undermining

the economy and provoking sectarian tension. The perception of Iran's interference appears to exist on multiple levels, for example, PC member Abdullah Jabbouri told PRToffs that Iranian agents are manipulating the Muqdadiah City Council, while other PRT interlocutors have reported that Diyala's Deputy Governor, Furat Muhammad (ISCI), recently traveled to Iran to receive funds for the upcoming national parliamentary elections. Diyala shares a 250 mile-long border with Iran, and the Governor, multiple Provincial Council members, and other local leaders claim that Iranian agents have many members of the Iraqi security forces on their payroll - including border forces - thus enabling the smuggling of goods, including weapons and explosive devices, into Diyala.

SIMMERING SECTARIAN TENSION

15. (C) Diyala continues to face the serious potential for increased sectarian violence. While many contacts, including the PC Chairman and the district head of Muqdadiah, estimate that more than 90 percent of AQI in Diyala has now been destroyed, the Shi'a-Sunni tensions that developed over the past years of struggle have not fully disappeared. The perceived imbalance in the implementation of rule of law in favor of Shi'a groups is exacerbating those tensions. Sunni groups say they are being targeted for arrest and assassination by the Shi'a-dominated Fifth Division of the Iraqi Security Forces (ISF), especially the Iraqi Police (IP) (ref A). (NOTE: Among IA divisions, The Fifth has the highest percentage of Shi'a troops. END NOTE.) This perception is strengthened by the fact that approximately 90 percent of the prison population in Diyala is Sunni, as stated by Governor Mahdawi and prison officials. (NOTE: the population breakdown in Diyala is roughly 50 percent Sunni, 35 percent Shi'a, and 15 percent Kurd. END NOTE). During a recent Provincial Council session, PC member Amir Thamir (Allawi) and others openly accused Shi'a tribes of coordinating with the IP on the arrest of several Sunni leaders in the Mansouriyah area of Muqdadiah to retaliate against their Sunni tribal neighbors. Thamir also claimed that the Prime Minister's office was behind these arrests.

16. (S/NF) Moreover, Sunni leaders believe that the IP is also working with the support of Iranian groups, and possibly at the behest of, or at least with the support of, Iranian groups. For example, in August 2009 the son of PC member Najim Harbie (al-Mutluq) was alleged to have been assassinated with IP collusion at the direction of Harith Sa'dun, a well-known Jayesh Al Mahdi Special Groups (JAM-SG) leader with ties to al Quds Force. (NOTE: U.S. military direct intelligence report IIR 6 069 1143 10-DOI 20091116 from evaluated sources indicates that the vehicle used in the kidnapping belonged to the Director of the Major Crimes Unit of the IP. END NOTE). Despite this background, after his arrest by ISF in November 2009, the Deputy Provincial Council Chairman, Sadiq Ja'far Abdullah Muhammad (ISCI) approached the PRT to press for Harith's release. In addition, Sunni leadership asserts that a Shi'a-biased IP is not only supported by Iranian special groups, but also by the central government itself. Diyala's Sunni leaders blame the central government for helping to perpetrate sectarian and politically biased arrests and assassinations of Sunni leaders - both civilians and Sons of Iraq (SOI). As previously reported, a significant number of the Sunni (Tawafuq) provincial government leadership either have outstanding arrest warrants or are currently in jail (ref B). Diyala's Sunni leadership believes this is a concerted effort by central government powers to undermine their authority and set the stage for Shi'a dominance in the province (ref C).

SUNNIS COULD TURN TO VIOLENCE

17. (C) If the arrests, intimidation, and growing

disenfranchisement of Sunni groups in Diyala continue, some PRT contacts in Diyala believe that some Sunnis, particularly Sons of Iraq (SOI) or other groups vulnerable to new Ba'ath party messaging, may resort to armed conflict as their best perceived option to regain power against a Shi'a-led government. Diyala is the second largest source of Internally Displaced Persons (IDPs) in Iraq, second only to Baghdad. Approximately 240,000 people of both Sunni and Shi'a ethnicity have been displaced, roughly half of whom reside in Diyala, and half in other provinces. Working with Embassy and international partners such as USAID, UNHCR, United States Institute of Peace, and International Organization for Migration, the GOI's Implementation and Follow-Up Committee for National Reconciliation (IFCNR) has developed a special Diyala Initiative to enable and encourage IDPs to return home (ref D). Early results are encouraging; UNHCR reports that around 50,000 IDPs returned to Diyala in 2009. But such progress is not yet consolidated, and shortages of jobs, housing, and essential services, as well as security concerns still loom as roadblocks. Local citizens in Diyala report that some Sunni families who tried to move back into Shi'a dominated areas such as Khalis were threatened with violence that they believe is condoned by local Shi'a IP. For now, these incidents have remained isolated, but if they become more widespread and the perception of IP support grows--both real possibilities--it could spark wider violence from within the Sunni community. And in the event that Diyala Sunnis do resort to arms in a large numbers, it would heighten the risk of similar actions in neighboring provinces due to close tribal connections.

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ARAB-KURD TENSIONS
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18. (C) Arab-Kurd tensions in the disputed internal boundary (DIBs) areas of Diyala could also reverberate in the adjacent Iraqi Kurdistan Region (IKR). While the majority of the Khanaqin area in northern Diyala may be Arab, Kurds claim it should be part of the IKR. (ref E). In a recent meeting with NEA A/S Feltman (ref F), Governor Mahdawi noted that tensions had improved in the DIBs area with the involvement of the Iraqi Army, but the situation was far from stable. Kurdish leaders in Khanaqin claim increased tensions between Arabs and Kurds are a result of intimidation from ISF and Ba'athist forces. On the Sunni side, some tribes in the area want to seek revenge for persecution at the hands of Peshmerga forces that controlled the area from 2003 to 2008. This resentment continues to surface in the form of assassinations, bombings, and other violence along ethnic lines, especially in areas such as Jalula and Saadiya. Moreover, this area continues to be used as a base of operations for Sunni insurgent groups such as Naqshbandi (JRTN) and, increasingly over the past six months, pro-Ba'athist groups such as al-Awda and al-Hadba, which are now spreading into other parts of Diyala (ref C). (NOTE: While the extent of the pro-Ba'athist activities is not entirely clear, there is a real fear and perception of a Ba'athist resurgence. END NOTE).

19. (C) The ongoing struggle between the KRG and central government for control over the disputed areas in Khanaqin has also undermined the capacity of the local civilian leadership, especially with regards to financial resources in areas including Jalula and Saadiya (ref C). For example, when the PRT recently sought to provide support for developing an education program in a disadvantaged part of Khanaqin, Assistant Governor for Technical Affairs Ghadban Taha Ismail asked why the provincial government should fund the effort, claiming "the KRG takes care of Khanaqin." In the end, the failure of central and provincial authorities to provide essential services has left communities vulnerable to other groups, including insurgents that could exploit the dissatisfaction to ignite ethnic tensions.

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PROVINCIAL GOVERNMENT ILL-PREPARED FOR CHALLENGES
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¶10. (C) The provincial government continues to be ill-prepared to address these challenges, due to a lack of administrative and technical capacity and weak power dynamics vis--vis the central government (ref F). Only within the past year has Diyala seen significant improvement in the security situation, and as such has not had the chance to develop a professional civil service with expertise to implement or execute a provincial development plan. The province remains woefully behind many others on essential services and governance. In addition, many members of the provincial government believe that the central government is systematically undermining their ability to provide essential services to their people by delaying the release of budgetary funds. A case of note for members of the Diyala Provincial Council is their July 2009 vote to terminate the Diyala Director General (DG) for the Administration of Petroleum Products for professional malfeasance. PC members believe that the central government's refusal to accept their action and remove the DG is a direct challenge to the provincial council's authority and illustrative of the central government's sectarian bias, i.e. protecting the DG of Oil because of his close connections to ISCI and Iran (ref G).

¶11. (C) In public statements and private conversations with PRToffs, a wide range of provincial officials ranging from Governor Mahdawi to PC officials and mayors cite the ongoing need for PRT guidance in order to promote stability and national unity and prevent the province from slipping back into sectarian turmoil. Hazim Serraj of the Iraqi Red Crescent, for example, recently appeared on Iraqi TV praising the PRT's work in creating jobs and promoting national unity by at the Aruba Market in Muqdadia. Once one of the largest Qby at the Aruba Market in Muqdadia. Once one of the largest Iraqi public markets outside of Baghdad, virtually all economic activity ceased in 2006-2007 as AQI and Coalition Forces battled for the market. But over the last six months the PRT has created a business development program that has helped over 500 shops reopen and create 2,000 jobs (septel). "The PRT has been instrumental in restoring life to the market and the city," Serraj said. "The program is bringing Sunnis and Shi'as back to the market to live and work together, and giving people hope for the future. But we cannot do it alone and need the PRT to help us maintain this progress." Diyala may not be the violent haven for AQI and like-minded groups that it was two years ago, but the gains made by the USG in helping to stabilize the area are not yet consolidated.

¶12. (C) COMMENT: Diyala's simmering ethnic and sectarian tensions make it fertile ground for various agents of instability, including Sunni insurgents, Ba'ath elements, and Iranian special groups units. Together with its ethno-sectarian issues, Diyala's location between Baghdad and Iran, and along the fault line between the IKR and the rest of Iraq, make it strategically important to U.S. interests in Iraq. We will need to work for more equitable treatment of all groups in the province to help preclude the possibility that disenfranchised Sunnis will increasingly revert to violence as a means to redress their grievances, potentially sparking broader problems in adjacent provinces. END COMMENT.
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